


Memo

To: Shana Davis-Cook, Village Manager
From: John M. Fitzgerald, Chief of Police 
CC: Board of Managers
Demetri Protos, Finance Director
Michael Younes, Director of Municipal Operations
Date: 2/9/2012
Re: Collection of Delinquent *SafeSpeed* Citations

Most people who receive a speeding citation from our *SafeSpeed* Program pay it. Some choose to exercise their due process rights and contest the citation in court. A third cohort chooses to do neither of the aforementioned things. This third group doesn't go to court and doesn't pay; their citations are labeled 'delinquent,' and unless we send these delinquencies to collections, those speeders are not held to account, and the integrity of the *SafeSpeed* Program suffers.

Recently, I took a closer look at our delinquencies and our collection efforts. I made contact with Mr. Dan Seid, Program Manager for our contractor (ACS), and I learned the following:

- 28,300 speeding citations issued by the Village *SafeSpeed* Program are currently delinquent (remaining unpaid 60 days after issuance).
- While we deem out-of-state citations delinquent when they are more than 60 days old, we ignore Maryland delinquencies until they are more than 2 years old (we assume that the registration renewal process will trigger payment).
- Based on our current delinquent citation collection policy, ACS issues approximately 600 new delinquency notices every month on the Village's behalf, and 75 of those pay. That is a 12.5% success rate. The majority of those 600 newly issued delinquent notices are the oldest ones.
- In an average month, 380 additional *SafeSpeed* citations become delinquent.
- The 28,300 delinquencies are reduced by 220 net/month (600 delinquent notices - 380 new delinquencies = net reduction of 220); at this pace, it will take over 10½ years to eliminate the backlog of delinquent citations.
- As delinquencies age, collections efforts are less successful. For example, as delinquencies approach 5 years old, collections are less than 5% successful.

Our *SafeSpeed* partner municipalities—Rockville, Gaithersburg and Takoma Park—have robust collections programs that have no backlog and remain current with incoming delinquencies. Our collections policy is not an effective one. The *SafeSpeed* Program is not as strong or as credible as it could be without a focused, principled collections effort to back it up.

An effective collections process should include the following elements:

1. **Focus on the newest delinquencies first, and stay current.** ACS's experience has taught them that the older a delinquent citation is, the harder it is to collect, and the less relevant collection efforts are.
2. **Treat in-state and out-of-state delinquencies the same.** Delinquent citations are delinquent citations. There is no good reason to delay the issuance of a delinquency notice to Maryland residents. Waiting up to two years for the registration renewal cycle enables in-state delinquencies, and experience shows that in a two-year timeframe, cars are sold, motorists move and many other things change, thereby reducing the likelihood of a successful collection.
3. **Eliminate the backlog.** There are several ways to do this:
 - a. **Bulk mailing.** At no cost to the Village, ACS can send bulk notices to the last known addresses of some or all of the 28,000 delinquencies. Many of them are quite old, and the success rate may be low, but we would collect on a portion of them.
 - b. **'Amnesty' program.** An amnesty program would operate by generating a new letter to all delinquencies that would offer to waive all late fees (ranging from \$25 to \$45) if the vehicle owner would pay the base amount within a fixed period (30 days); the letter would warn the recipient that, if they did not pay within the time allotted, the Village may report them to a credit bureau. Montgomery County has done this twice with batches of 30,000 notices, and ACS is able to replicate that process for the Village fairly easily.
 - c. **Administrative waiver.** The Village may choose not to collect on some or all of the delinquencies.
 - d. **A combination of bulk mailing, amnesty, and waiver.**
4. **Determine if, based on the age of the delinquent citation and principles of fundamental fairness, we should refrain from reporting some of the very stale delinquencies to credit bureaus.** If the Board chooses to initiate collection efforts on all of the current delinquencies, it may want to consider modifying the credit bureau reporting policy for the older delinquencies. I suggest that we report to the credit bureaus only those delinquencies that are one year old or less.

Recommendation

I recommend that we direct ACS to begin focusing on the newest delinquencies immediately, and to remain current; that we collect on in- and out-of-state delinquencies the same way; and that we eliminate our backlog through a bulk mailing of 28,300 amnesty notices (as described above) followed by an administrative waiver of any uncollected delinquencies older than one year.